



SECRET

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON 25, D.C.

CIVIL ACCOUNTING AND
AUDITING DIVISION

JUN 28 1962

25X1A

[REDACTED] Deputy Comptroller, CIA

Subject: [REDACTED]

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Reference is made to your letter dated March 14, 1962, to the Director, Civil Accounting and Auditing Division on the subject contract. As requested by you, our New York Regional Office audit staff ceased pursuing their examinations into the details of cost under the subject contract on or about March 9, 1962. Prior to this date, however, preliminary information had been developed which indicates that [REDACTED] may have realized excessive profits under contract No. [REDACTED] summarized below, information obtained from contractor's records shows that [REDACTED] profits may have been as high as 57 percent of cost rather than the estimated 10 percent of cost used in contract negotiations.

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	<u>Estimated</u>	<u>Actual</u>
Cost	[REDACTED]	[REDACTED]
Profit	[REDACTED]	[REDACTED]
Contract price	[REDACTED]	[REDACTED]
Ratio of profit to cost	[REDACTED]	[REDACTED]

Our staff was advised by a [REDACTED] that late billings might add a few hundred dollars to the actual costs set forth above.

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The limitations on the GAO audits of CIA activities preclude us from any examinations into this contract because it is financed from unvouchered funds, and therefore the matter is referred to you in accordance with our telephone conversation today, so that the Agency may make appropriate follow-up.

We would appreciate being advised of any actions you might take on this matter.

Document No. _____
Review of this document by GAO has determined that

- ☐ CIA has no objection to release
☒ It contains information of CIA interest that must remain classified at TS (S) *
Authority: AR 10-2

☐ It contains nothing of CIA interest

Date 24-3-81 Approved For Release 2001/09/04 : CIA-RDP80-01240A000100140055-7

E. L. Pahl

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Supervisory Accountant